Territory Economic Review

July 2005

Continuing strength in domestic demand

Economic indicators report that the Northern Territory economy continues to show solid growth. Latest data report that underlying demand conditions remain strong (see chart), though investment for major projects continues to be a major influence on headline figures. Territory consumers, who have made a significant contribution to growth over the past few years, continue to spend freely. Retail turnover and motor vehicles sales report strong growth while expenditure on services is also showing solid growth. Confidence and household balance sheets have also been buoyed recently by wealth effects associated with the stronger property markets and house prices, as well as stronger jobs growth.

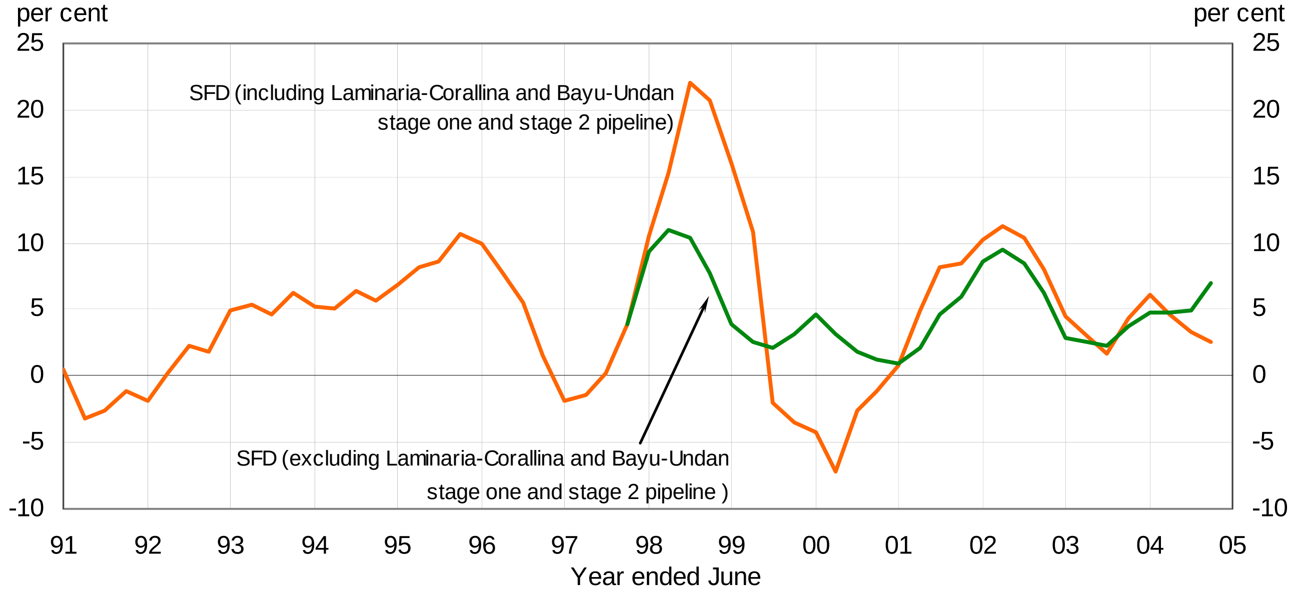
External demand also improving

Demand for the goods and services that the Territory produces is also strengthening flowing through to exports. Improved prospects for the global economy are a positive influence on the demand for international tourism services and, demand and prices for the commodities that the Territory produces have increased over the past year. Despite weaker output, notably for oil, the value of exports has increased recently due to sharp price increases. However, higher refined fuel prices have been a contributing factor to increased import values over the past six months, as the majority of fuel consumed in the Territory is imported from Singapore.

Labour market conditions remain buoyant

Despite stronger demand, various employment indicators are providing conflicting signals of the strength of the Territory's labour market, generating considerable interest amongst commentators. However, the weight of economic indicators, which theory suggests should have an association with employment, supports the view that the economy is performing strongly. While reported trend employment has been weakening in recent months, other data sources such as ANZ job ads, business surveys, employment agency forecasts and anecdotal evidence suggest labour and skill shortages and significantly stronger demand for labour than the notoriously unreliable ABS labour force survey reports.

Northern Territory – State Final Demand



Source: NT Treasury, ABS Cat. No. 5602.0

For further information contact Economic Group
(t) 08 8999 6801 or www.nt.gov.au/ntt
Northern Territory Government
Northern Territory Treasury

Northern Territory State Final Demand and Gross State Product

Year on Year Ended June	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	Latest	Annual % change*
Expenditure on GSP (2002-03 prices)	Percentage Change								
Private Consumption	7.1	5.2	7.3	1.8	3.7	5.7	6.4	Mar Q 05	6.5
Public Consumption	9.9	5.8	7.0	0.8	-0.4	2.7	3.1	Mar Q 05	0.9
Total Consumption Expenditure	**8.3**	**5.5**	**7.2**	**1.4**	**1.9**	**4.4**	**5.0**	Mar Q 05	**4.1**
Private Investment									
Dwellings	13.8	44.9	-26.1	-40.1	2.0	16.6	0.3	Mar Q 05	44.6
Other buildings and structures	70.2	171.1	-57.9	-16.4	102.5	45.4	17.5	Mar Q 05	20.5
Machinery and equipment	-22.5	50.2	-1.5	19.7	16.8	8.8	2.1	Mar Q 05	-20.1
Livestock	-20.0	87.5	-13.3	46.2	10.5	-57.1	111.1	Mar Q 05	-5.3
*Intangible fixed assets***	52.9	-19.6	-6.0	-16.1	36.4	-41.9	-18.5	Mar Q 05	48.1
Ownership transfer costs	8.6	3.2	-6.2	-21.3	14.6	5.5	24.1	Mar Q 05	18.8
Business Investment#	22.9	82.1	-37.6	-1.5	50.8	16.5	12.1	Mar Q 05	11.3
Total Private Investment	19.2	67.8	-34.6	-11.0	42.4	16.3	11.0	Mar Q 05	14.8
Public Investment	11.4	-36.3	40.6	45.8	21.0	-35.1	-7.3	Mar Q 05	2.2
Total Investment	**17.5**	**47.0**	**-28.1**	**-1.4**	**37.0**	**5.0**	**8.5**	Mar Q 05	**13.3**
State Final Demand	**10.5**	**15.9**	**-4.3**	**0.8**	**10.2**	**4.5**	**6.0**	Mar Q 05	**6.7**
State Final Demand less L-C and B-U##	**9.3**	**3.8**	**4.6**	**0.9**	**8.7**	**2.8**	**4.8**	Mar Q 05	**13.7**
International Trade - export of goods	-0.4	-1.6	47.3	30.0	-22.6	-11.0	-23.7	Mar Q 05	-5.6
International Trade - import of goods	55.9	-27.8	178.0	-62.1	16.6	30.2	3.8	Mar Q 05	26.9
Total Gross State Product	**3.2**	**9.7**	**-1.2**	**5.7**	**2.3**	**0.2**	**0.4**		
Contribution to Growth	Percentage Point Contribution								
Private Consumption	2.9	2.2	3.0	0.8	1.6	2.4	2.8		
Public Consumption	3.2	2.0	2.3	0.3	-0.1	0.9	1.0		
Private Investment	3.4	14.0	-10.9	-2.3	7.4	4.0	3.1		
Public Investment	0.5	-1.9	1.2	1.9	1.2	-2.4	-0.7		
State Final Demand	10.1	16.4	-4.7	0.9	10.2	4.9	6.3		
Net International Exports	**-4.0**	**2.3**	**2.3**	**23.9**	**-11.2**	**-7.1**	**-8.6**		
Balancing item	-2.9	-8.9	1.2	-19.0	3.3	2.4	2.7		
Gross State Product	**3.2**	**9.7**	**-1.2**	**5.7**	**2.3**	**0.2**	**0.4**		

* Quarter on corresponding quarter the previous year, or through the year annual per cent change ** Predominantly computer software and mineral exploration
# Private investment less dwellings investment and ownership transfer costs ## Investment for the Laminaria-Corallina oilfields and Bayu-Undan Stage One
Source: NT Treasury, Australian Bureau of Statistics data

Latest Northern Territory Economic Indicators

Year ended June Percentage Change*	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	Latest	Annual % change**
Real Retail Turnover	1.8	5.9	5.9	-0.7	4.1	2.2	5.1	Mar Q 05	7.0
New Motor Vehicle Sales	17.0	-3.4	-8.8	-4.2	-0.3	3.3	8.4	May Q 05	0.6
Tourist Accommodation Takings	0.7	7.0	16.8	1.5	-1.0	-0.1	2.8	Mar Q 05	14.3
Number of Dwellings Approved	11.6	0.0	-30.6	-28.4	-13.8	0.0	23.4	May Q 05	-16.6
Number of Dwellings Commenced	26.6	-9.7	-21.1	-34.0	0.1	-4.1	6.0	Mar Q 05	34.2
Employment	3.3	5.3	-2.3	1.1	5.4	-0.1	-2.2	May Q 05	-4.4
Unemployment rate	4.9	4.0	4.4	5.6	6.8	5.8	5.2	May Q 05	0.6ppt
Darwin Consumer Price Index (year average)	-0.3	0.9	1.4	5.4	2.2	2.3	1.4	Mar Q 05	2.1
AWOTE# (year average)	4.9	3.1	4.6	3.7	2.3	5.0	6.5	Mar Q 05	7.9
Wage Price index (year average)	n.a.	2.8	2.5	2.8	3.1	3.0	3.3	Mar Q 05	4.1
Population as at June (levels - thousands)	189.9	192.7	195.6	197.8	198.7	198.5	199.9	Dec Q 04	200.8
Population (annual % change)	1.6	1.5	1.5	1.1	0.5	-0.1	0.7	Dec Q 04	1.0
Net Interstate Migration (levels - number)	-472	-953	-907	-1592	-2596	-3389	-2108	Dec Q 04	- 401

* Year ended, or year on year ** Quarter on corresponding quarter the previous year, or through the year annual per cent change # Average Weekly Ordinary Time Earnings
Source: NT Treasury, Australian Bureau of Statistics data

Financial Indicators

Year Ended June	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	Latest	Level
Interest Rates									
90 Day Bank Bill (as at 30 June)	5.20	4.92	6.17	5.02	5.11	4.67	5.50	30 Jun 05	5.66
10 Year Govt Bond Yield (as at 30 June)	5.58	6.27	6.16	6.04	5.99	5.01	5.87	30 Jun 05	5.11
Exchange Rates									
US$ per A$ (year average)	0.68	0.63	0.63	0.54	0.52	0.58	0.71	30 Jun 05	0.75
US$ per A$ (as at 30 June)	0.61	0.66	0.60	0.51	0.56	0.67	0.69	30 Jun 05	0.76
Special Drawing Rights* per A$ (as at 30 June)	0.46	0.49	0.45	0.41	0.43	0.47	5.70	30 Jun 05	0.52
Trade Weighted Index of A$ (as at 30 June)	57.90	58.40	53.60	49.80	52.30	58.98	59.06	30 Jun 05	64.50

* A measure of the Australian dollar against an IMF determined, weighted basket of currencies consisting of the US dollar, the Euro, the yen and pound sterling
Source: NT Treasury, Reserve Bank of Australia data

CONTENTS

ECONOMIC INDICATORS DUE FOR RELEASE

July

ABS	8731.0	Building Approvals, May 2005	1 July 05
ABS	8501.1	Retail Trade, May 2005	1 July 05
ABS	5368.0	International Trade in Goods and Services, May 2005	4 July 05
ANZ		Job Advertisements, June 2005	4 July 05
ABS	3401.0	Overseas Arrivals and Departures, May 2005	6 July 05
ABS	6202.0	Labour Force, June 2005	7 July 05
ABS	5609.0	Housing Finance, May 2005	11 July 05
ABS	5671.0	Lending Finance, May 2005	13 July 05
Westpac		Consumer Sentiment Index, July 2005	13 July 05
ABS	8792.0	Engineering Activity, March quarter 2005	15 July 05
ABS	8752.0	Building Activity, March quarter 2005	18 July 05
Westpac		Leading Index, May 2005	20 July 05
DEWRSB		Skilled Vacancy Survey, July 2005	20 July 05
ABS	9314.0	Sales of New Motor Vehicles, June 2005	21 July 05
ABS	6401.0	Consumer Price Index, June quarter 2005	27 July 05

August

ABS	5368.0	International Trade in Goods and Services, June 2005	2 August 05
	8501.0	Retail Trade, June 2005	2 August 05
ABS	8731.0	Building Approvals, June 2005	3 August 05
ABS	5609.0	Housing Finance, June 2005	9 August 05
Westpac		Consumer Sentiment Index August 2005	10 August 05
ABS	6202.0	Labour Force, July 2005	11 August 05
ABS	6345.0	Labour Price Index, June quarter 2005	17 August 05
Westpac		Leading Index, June 2005	17 August 05
ABS	6302.0	Average Weekly Earnings, May quarter 2005	18 August 05
ABS	9314.0	Sales of New Motor Vehicles, July 2005	22 August 05
ABS	5368.0	International Trade in Goods and Services, July 2005	30 August 05
ABS	8501.0	Retail Trade, July 2005	30 August 05
ABS	5302.0	Balance of Payments, June quarter 2005	31 August 05
ABS	8731.0	Building Approvals, July 2005	31 August 05

For further information contact Economic Group
(t) 08 8999 6801 or www.nt.gov.au/ntt

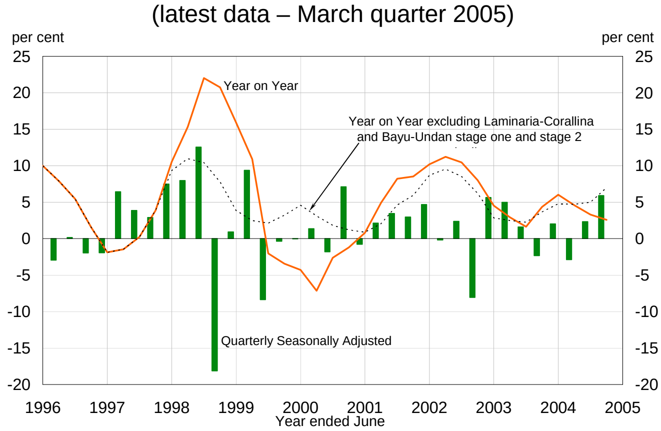
State Final Demand

Territory State Final Demand (SFD) increased by 5.9 per cent in the March quarter 2005, and in year on year terms by 2.6 per cent. Excluding activity for offshore oil and gas projects, year on year demand is estimated to have increased by 7.0 per cent.

Strong quarterly growth was due to surging business investment, which increased by 35 per cent, for the Wickham Point LNG plant and the Alcan G3 alumina expansion at Gove. Nonetheless, the strengthening in investment was not confined to major projects, with dwellings investment, ownership transfer costs and offshore exploration activity each contributing to quarterly growth. Public sector investment fell in the quarter, though this was to be expected following unseasonally high expenditures in the December quarter 2004. Consumption fell in the quarter as stronger household spending was more than offset by weaker Australian Government consumption (in the Territory).

Northern Territory State Final Demand

(latest data – March quarter 2005)



Source: NT Treasury, ABS Cat. No. 5206.0

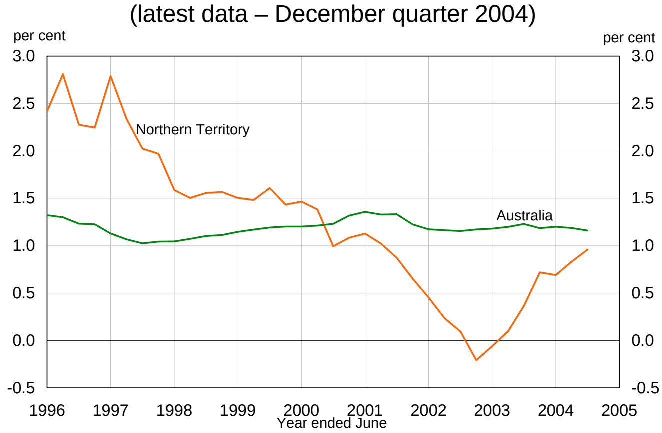
Population

The Northern Territory's resident population increased by 0.2 per cent to 200 794 in the December quarter 2004, the seventh consecutive quarter of growth. Annual growth strengthened to 1.0 per cent. Nationally, quarterly population growth was 0.3 per cent, with annual growth steady at 1.2 per cent.

The Territory's estimated resident population increased by 345 persons in the quarter. Natural increase (births less deaths) and net overseas migration made positive contributions to growth, while there was a net interstate migration outflow. Nonetheless, the size of the net interstate migration outflow has fallen markedly over the past 18 months, reflecting the improved economic growth and employment prospects. The ABS reports that the latest population estimates incorporate interstate migration estimates which are based on incomplete Medicare data. As such, estimates will be revised as more complete data become available.

Population*

(latest data – December quarter 2004)



* quarter on corresponding quarter the previous year
Source: ABS Cat. No. 3101.0

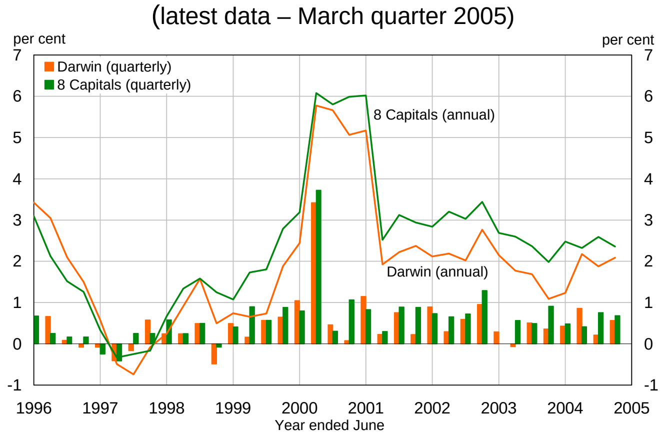
Consumer Price Index

Darwin's consumer price inflation continues to be below that of the eight capital cities average, though the margin in the annual growth rate narrowed in the March quarter 2005 (see chart). In annual terms, Darwin reported consumer price index (CPI) growth of 2.1 per cent (up from 1.9 per cent in the December quarter), compared to 2.4 per cent nationally (down from 2.6 per cent in the December quarter). The more stable year on year measure of inflation increased both in Darwin and nationally.

Price movements in Darwin and nationally were broadly consistent in the quarter, with the exception of the 'recreation' category, where prices in the Territory fell, while increasing nationally. 'Food' and 'housing' reported stronger growth in Darwin. Stronger demand for labour and material in the construction sector was the main contributor to solid growth in the housing category in the quarter, and over the past year.

Consumer Price Index

(latest data – March quarter 2005)



Source: ABS Cat. No. 6401.0

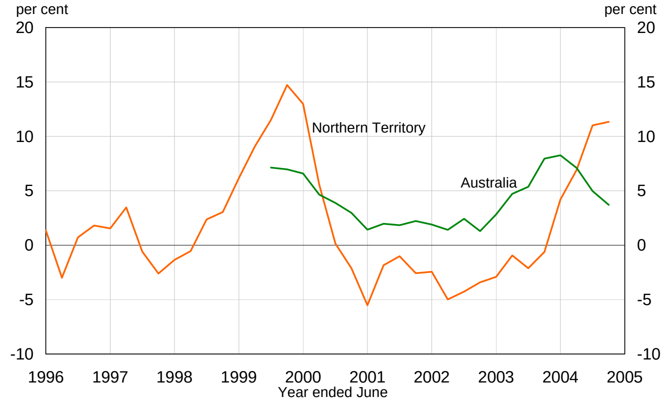
Tourist Accommodation

March quarter 2005 tourist accommodation data report solid growth in the level of tourism activity in the Territory compared to the corresponding period in 2004.

In year on year terms, takings increased by 13.1 per cent, the number of guest nights increased 11.3 per cent, and the room occupancy rate increased by 5.3 percentage points. Over the same period, the number of guest nights increased in Darwin by 16.5 per cent, in Katherine by 16.2 per cent and Alice Springs recorded an increase of 2.9 per cent. For the 'rest of the Territory', guest nights increased by 9.8 per cent. After several weak years, Territory guest nights are back to 2000 peak levels, with the rate of growth increasing sharply over the past year (see chart). Growth has been supported by increased marketing activity and, the Territory is attracting a greater proportion of international visitors to Australia.

Tourist Accommodation – Guest Nights*

(latest data – March quarter 2005)



* year on year percentage change
Source: ABS Cat. No. 8635.0

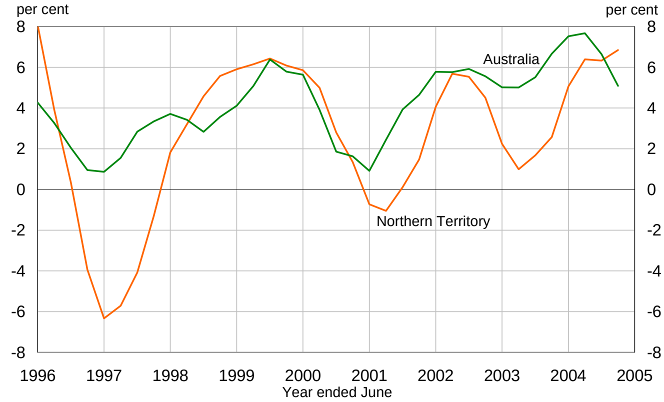
Retail Turnover

Seasonally adjusted, real (adjusted for inflation) retail turnover in the Territory increased by 3.1 per cent in the March quarter 2005. Nationally, turnover increased by 1.2 per cent. In the year to March quarter 2005 Territory retail turnover growth strengthened to 6.8 per cent (see chart) to be $1.93 billion, while nationally, turnover growth weakened to 5.1 per cent, down from 6.6 per cent in calendar year 2004. Nationally, turnover growth has weakened markedly since mid-2004.

Latest, nominal data (that is, not adjusted for inflation) report that in May, trend turnover increased by 0.1 per cent in the Territory and by 0.2 per cent nationally. In the Territory this reflected the combination of increased food turnover, stronger department store turnover and hospitality and tourism-related activity continuing to recover. Turnover growth was also supported by lower fuel prices and the decreased risk of an interest rate increase.

Retail Turnover*

(latest data – March quarter 2005)



* inflation adjusted turnover, year on year percentage change
Source: ABS Cat. No. 8501.0

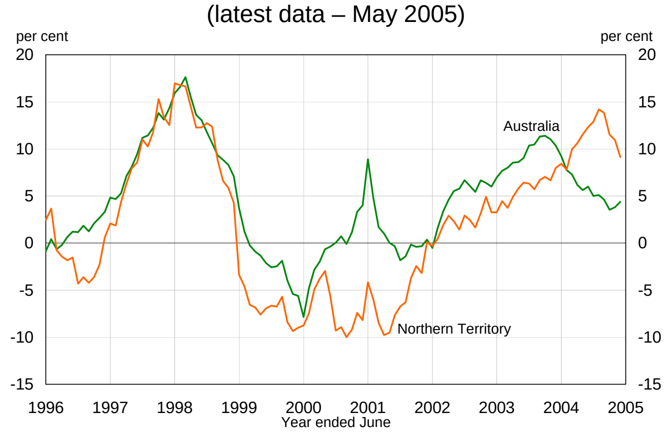
New Motor Vehicle Sales

Seasonally adjusted motor vehicle sales were steady at 788 in May, the highest number of May sales on record. Nationally, sales decreased by 1.2 per cent. Year on year growth (a more stable measure of activity) has improved markedly in the Territory since January 2002, reflecting the strengthening of the onshore economy. Nonetheless, year on year growth has peaked, but still reports solid growth of 9.1 per cent. Nationally, year on year sales growth is 4.4 per cent.

In the Territory and nationally, new motor vehicle sales have been strong in recent years, supported by low interest rates, strong consumer confidence and credit growth together with cheaper imported vehicles, a large number of new model releases and keen price competition. Since January 2005, sales have been supported by further tariff reductions on imported vehicles. Improved prospects for the tourism sector and its links to the car rental and tour markets should continue to support sales over 2005.

New Motor Vehicle Sales*

(latest data – May 2005)



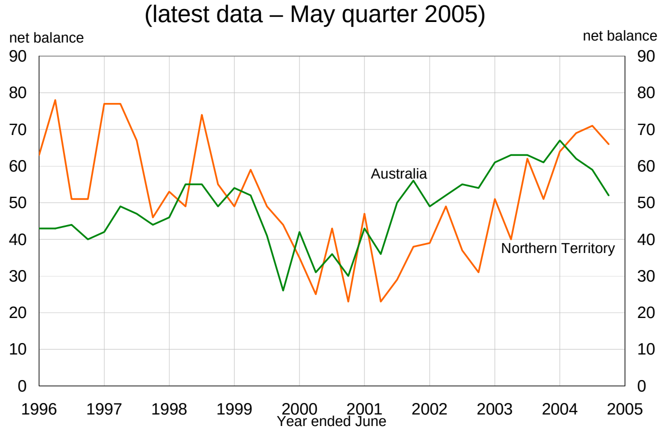
* year on year percentage change
Source: Source: ABS Cat. No. 9314.0

Sensis Business Index

Sensis reports Territory business confidence regarding prospects for the next twelve months declined by 5 percentage points to a net balance of 66 per cent in the May quarter. Nonetheless, business confidence is significantly stronger than in the May quarter 2004, and significantly stronger than nationally. For the third consecutive quarter, the Territory has recorded a stronger net balance than nationally. The net balance is defined as the difference between the percentage of positive and negative responses.

Territory businesses reported that their ‘actual’ experience exceeded their ‘expectations’ for capital expenditure and wages bill in the quarter, but was below for other performance indicators. ‘Actual’ experience for small and medium enterprises has improved for all of the economic indicators compared to the same period a year ago. Nationally, ‘actual’ experience was below ‘expectations’ for all performance indicators.

Sensis Business Index*
(latest data – May quarter 2005)



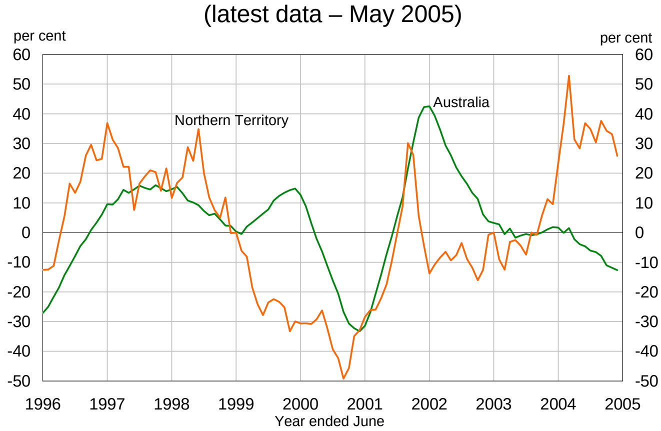
*Net balance – the difference between the percentage of positive and negative responses
Source: Sensis Business Index

Residential Building Approvals

In trend terms there were 72 residential building approvals in the Territory in May, down from 74 in April. Nationally, seasonally adjusted residential building approvals (the figure most commonly reported in the media) increased by 4.5 per cent. In original terms, Territory approvals increased by 48 to 100 in May, with both private and public sector approvals increasing.

In the year to May 2005, the number of Territory residential building approvals increased by 25.8 per cent to 1 385, with the majority of growth in the units category. Residential vacancy rates in Darwin, Palmerston, Katherine and Alice Springs fell in the March quarter 2005, and are at historically low levels in Darwin and Katherine. Vacancy rates have declined over the past two years and current levels suggest the housing stock surplus (which had been a feature of the Territory market for several years) has largely been absorbed.

Residential Building Approvals*
(latest data – May 2005)



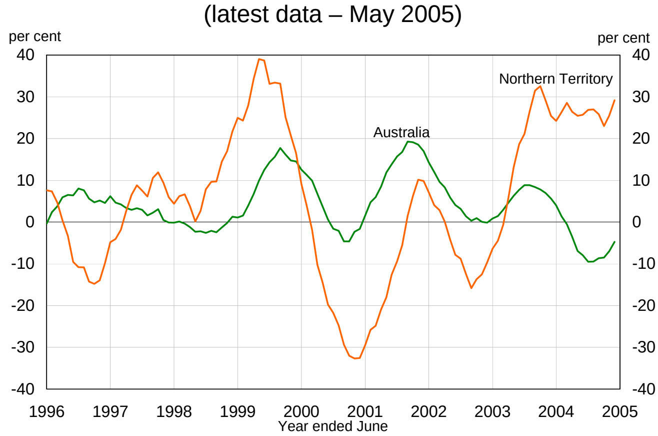
*number of approvals, year on year percentage change
Source: ABS Cat. No. 8731.0

Housing Finance

In May, the number of seasonally adjusted owner-occupier housing finance commitments in the Territory decreased by 3.3 per cent to 553. Nationally, commitments decreased by 0.4 per cent. In the year to May 2005 the number of Territory commitments increased by 1 467, or 29.2 per cent, to 6 494 compared to a 4.7 per cent fall nationally. Excluding refinancing, in the year to May 2005, there was a 38.2 per cent increase in the number of commitments.

Of the 1 467 increase in Territory commitments in the year to May, 1 193 were for the purchase of an existing dwelling, 217 were for the construction and purchase of a new dwelling and 57 were for refinancing. Growth in the first homebuyer segment has been quite dramatic over the past two years, supported by low interest rates and initiatives encouraging home ownership. Incentives have, included improvements to the HomeNorth scheme and the raising of stamp duty concession thresholds.

Housing Finance for Owner Occupation*
(latest data – May 2005)



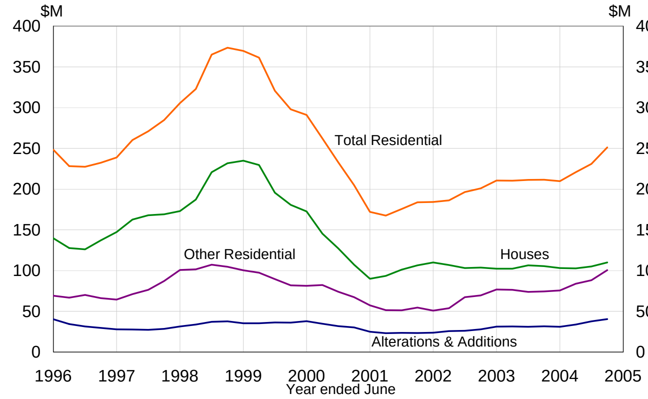
* number of commitments, year on year percentage change
Source: ABS Cat. No. 8731.0

Residential Construction (preliminary)

In real, or constant price, terms the value of residential construction activity fell in the Territory by 12.9 per cent, to $63 million, in the March quarter 2005, consistent with seasonal patterns. The ABS does not report seasonally adjusted data for residential construction in the Northern Territory. The quarterly fall was largely in the 'new houses' category, while the value of work done in the 'other residential' category (primarily units and apartments) was unchanged in the traditionally weaker March quarter.

In the year to March 2005, total residential construction increased by 18.7 per cent to $251.0 million. 'New residential construction' and 'alterations and additions' increased by 17.1 and 27.8 per cent respectively. Housing construction activity increased by 4.5 per cent and 'new other residential' (primarily units) increased by 34.9 per cent. Growth in the 'new other residential' category has been largely driven by the construction of several large apartment projects in and around the Darwin CBD.

Residential Construction*
(latest data – March quarter 2005)



* moving annual total at 2002-03 prices
Source: ABS Cat. Nos. 8752.0, 8782.0.65.001

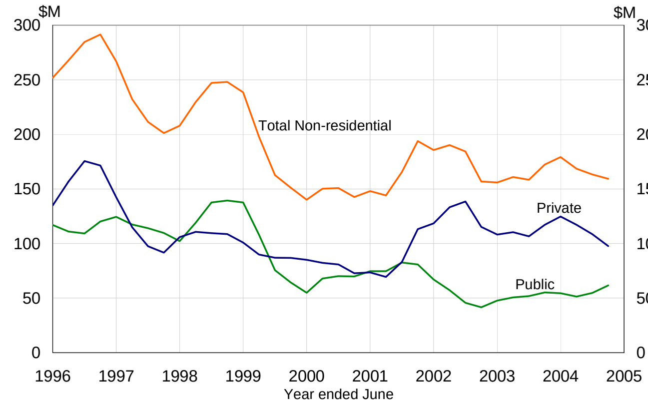
Non-residential Construction (preliminary)

Non-residential building activity in small jurisdictions like the Northern Territory tends to be lumpy, reflecting the reality that projects only proceed when certain demand thresholds are reached (for example, for shopping centres, hotels and offices). In real, or constant price, terms Territory non-residential building construction fell by 1 per cent, to $39.8 million, in the March quarter 2005.

Non-residential building construction for the public sector increased by 22.2 per cent to $19.8 million in the quarter, but decreased by 16.7 per cent to $20 million for the private sector.

In the year to March 2005 the value of non-residential construction has fallen by 7.5 per cent to $160 million. Public sector construction has increased by 11.6 per cent to $60 million, while private sector activity fell by 16.6 per cent to $100 million.

Non-residential Construction*
(latest data – March quarter 2005)



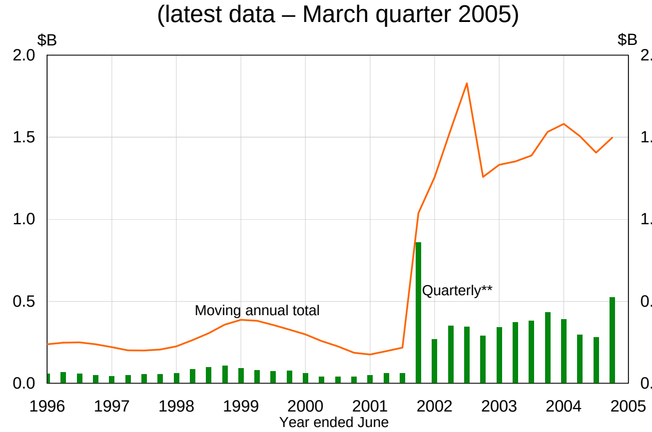
* moving annual total at 2002-03 prices
Source: ABS Cat. Nos. 8762.0, 8782.0.65.001

Engineering Construction (preliminary)

Engineering construction activity in the Territory increased by 86.6 per cent to $526.3 million (seasonally adjusted) in the March quarter, and by 21.3 per cent in annual terms. Nonetheless, in the year to March 2005, engineering construction activity fell by 2.2 per cent to $1.49 billion. The weaker year on year figure reflects the impact of previous investment for Bayu-Undan stage one and for the stage two pipeline 'dropping out' of the data.

Engineering continues to be heavily influenced by private sector activity for Bayu-Undan stage two (LNG plant and pipeline). Activity is also supported by the start of construction for the Alcan G3 alumina refinery expansion, continuing work for the East Arm wharf as well as increased roads and residential subdivision activity. Major projects will continue to influence engineering construction activity in coming years, resulting in large swings in reported quarterly, annual and year on year percentage changes.

Engineering Construction*
(latest data – March quarter 2005)



* at 2002-03 prices, ** seasonally adjusted
Source: ABS Cat. Nos. 8762.0, 8782.0.65.001

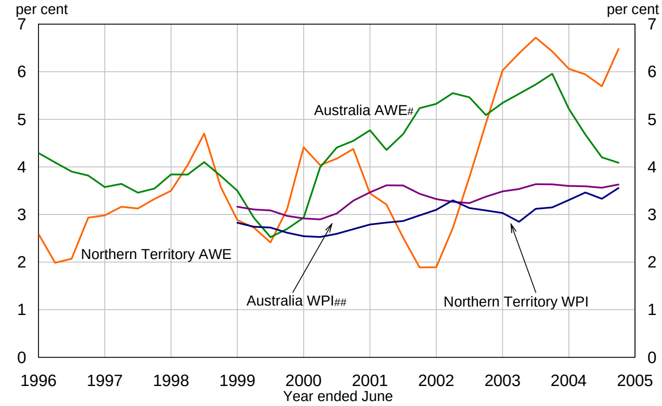
Wage Price Index

The Territory wage price index (WPI) increased by 1.9 per cent in the March quarter 2005, above the national increase of 1.1 per cent. The WPI measures wages growth for a constant basket of jobs and, unlike average weekly earnings (AWE), is not subject to compositional distortions that may affect the AWE series.

In the Territory, the private sector component of the index increased by 1.5 per cent in the quarter. The public sector component increased by 2.3 per cent, reflecting the timing of wage increases associated with the finalisation of enterprise bargaining agreements for a significant proportion of the public sector. In year on year terms, the Territory WPI increased by 3.6 per cent, in line with national growth. In year on year terms, private sector wage prices in the Territory are increasing at a faster rate than nationally, while growth in public sector is weaker than nationally. Territory average weekly (full-time) earnings increased by 6.5 per cent to $1 020 in the year to February 2005.

Earnings Growth*

(latest data – March quarter 2005)



* year on year percentage change #Average Weekly Earnings ## Wage Price Index
Source: ABS Cat. Nos. 6203.0, 6345.0

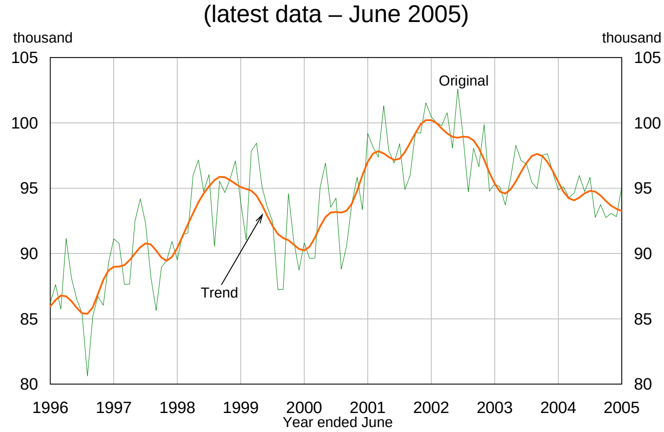
Employment

ABS labour force data for the Territory are characterised by extreme volatility. As such, ABS-reported labour force data should be interpreted with caution and, in conjunction with a range of other economic and labour market indicators. Trend employment reported by the ABS fell by 100 to 93 300 in June. Trend full-time employment was reported as steady at 72 400, with part-time employment falling marginally, to 20 900. Nationally, trend employment increased by 20 400 in the month, to report 10 million employed persons for the first time in the series history.

While trend employment has been reported as weakening in recent months, other data sources such as ANZ job ads, business surveys, employment agency forecasts and anecdotal evidence suggest significantly stronger demand for labour and skills and labour shortages. Employment outlook statements by Drake and Manpower suggest that employment will continue to strengthen through 2005.

Northern Territory Employment

(latest data – June 2005)



Source: ABS Cat. No. 6202.0

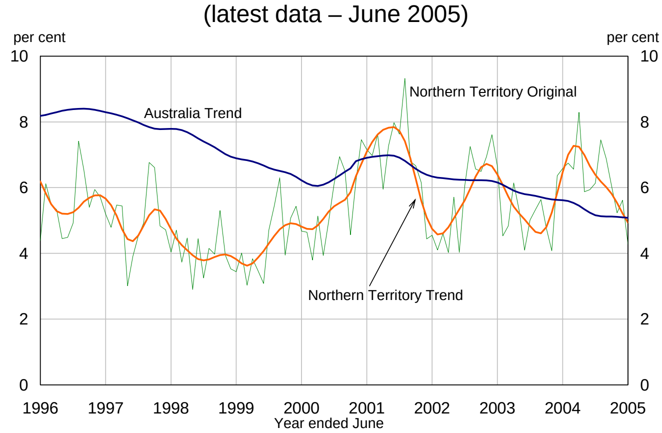
Unemployment

The Territory's trend unemployment rate fell to 4.9 per cent in June 2005, down 0.3 percentage points from the May result. The May trend unemployment rate was revised down from 5.6 per cent, as initially reported, to 5.2 per cent. As the chart shows, the volatility in the Territory's trend unemployment rate has been quite extreme over the past few years, with erratic movements a feature, relative to the stable national trend unemployment rate. While there are structural factors that would lead to greater volatility in the Territory's labour market relative to nationally, the extent, and underlying cause of the recent 'cycles' reflects the limitations of the survey.

For example, the Territory's unemployment rate was reported as significantly higher than nationally in mid-2004, and was clearly the highest of the jurisdictions, and now, one year later, the Territory's unemployment rate is below the national rate and the third lowest of the jurisdictions.

Unemployment Rate

(latest data – June 2005)



Source: ABS Cat. No. 6202.0

GLOSSARY

Consumer Price Index
A general indicator of the prices paid by household consumers for a specific basket of goods and services in one period relative to the cost of the same basket in a base period.

Current Dollars
Nominal. A measure that is not adjusted for inflation or changes in the purchasing power of money. Current dollars specify the value at a certain point in time and are not used to compare value over a series of time periods. Also referred to as nominal dollars.

Dwelling Unit
A self-contained suite of rooms, including cooking and bathing facilities, intended for long-term residential use.

Employed
Persons 15 years and older who worked for one hour or more in the week of the labour force survey.

Final Consumption Expenditure
The value of purchases of goods and services for consumption. Excludes purchases of fixed assets, intermediate goods or additions to inventories. Intermediate goods are those used as inputs for making other goods.

Fixed Capital Formation
Additions to the stock of real capital. Real capital represents assets, except land and natural resources, which are capable of producing income. For example, new and second-hand buildings, plant and equipment and roads.

Goods and Services Tax
From 1 July 2000 the Australian Government introduced a 10 per cent tax on goods and services replacing the previous wholesale sales tax regime. Some items like basic food, health, education and exports are GST free.

Gross Domestic Product
The total value of goods and services produced in Australia over the period for final consumption. Intermediate goods, or those used in the production of other goods, are excluded. GDP can be calculated by either summing total output, total income, or total expenditure.

Gross State Product
Similar to GDP, except it measures the total value of goods and services produced in a jurisdiction. It is the sum of all income, namely wages, salaries and profits, plus indirect taxes less subsidies.

Labour Force
All persons 15 years and over, who are available for work. That is, employed plus unemployed persons actively seeking work. Excludes defence force personnel and non-residents.

Original Terms
Data in original terms is basic, raw data as collected in a survey or a census. It is not adjusted for seasonality or smoothed to remove irregularities to form a trend series.

Participation Rate
The proportion of the population over 15 years of age who are working or looking for work.

Business Investment
Private fixed capital formation for non-residential buildings and structures, machinery and equipment, livestock, intangible fixed assets before depreciation.

Real Dollars
Used to remove the impact of price changes (inflation) in time series data. In the base year current prices equal constant prices. To convert current dollar values to constant dollar values it is necessary to deflate/inflate by the appropriate inflation index number. Also referred to as constant dollars or values in chain volume terms.

Seasonally Adjusted Terms
The seasonally adjusted series is a time series of estimates with the effects of normal seasonal variation removed (that is those fluctuations that exhibit a regular pattern at a particular time of year). Seasonally adjusted terms allow the effects of other non-seasonal influences on the series to be more clearly recognised.

State Final Demand
Final consumption expenditure plus gross fixed capital formation. It represents the total expenditure on consumption and investment in a jurisdiction.

Trend Terms
The trend series is used to analyse the underlying behaviour of the series over time. Trend terms are derived by smoothing the seasonally adjusted series so as to reduce the impact of any irregular components of that series.

Unemployed
Persons 15 years and older who were not employed during the week of the labour force survey and were actively seeking work in the past four weeks.

Unemployment rate
The number of unemployed persons expressed as a percentage of the labour force.

Comparative Economic Indicators*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross State/Domestic Product[a]	2003-04	% change	**0.4**	2.0	3.7	5.1	4.3	7.5	3.0	1.5	3.8
State Final Demand[a]	Year to March 05	% change	**2.6**	3.4	4.1	7.5	3.7	6.0	6.3	3.1	4.7
International Goods Exports	Year to May 05	% change	**16.1**	24.8	5.8	28.7	3.1	18.3	14.3	n.a.	17.1
International Goods Imports	Year to May 05	% change	**149.7**	12.8	12.3	21.0	11.2	20.1	-8.5	1300.0	14.8
Demography											
Population	Dec-03 Qtr to Dec-04 Qtr	% change	**1.0**	0.7	1.2	2.0	0.5	1.6	0.8	0.4	1.2
Labour Market											
Employment (trend)	June 04 to June 05	% change	**-2.3**	1.9	3.6	5.7	3.2	6.2	2.7	2.0	3.6
Participation Rate (trend)	As at June 04	%	**71.0**	62.4	63.5	65.0	61.5	65.4	59.3	71.3	63.6
	As at June 05	%	**67.1**	63.0	64.7	66.6	62.2	68.2	59.8	71.9	64.7
Unemployment Rate (trend)	As at June 04	%	**6.5**	5.5	5.7	5.7	6.2	5.1	6.7	3.6	5.6
	As at June 05	%	**4.9**	5.2	5.3	4.9	5.0	4.8	6.0	3.1	5.1
ANZ Job Ads	Year to June 05	% change	**29.8**	-7.4	-4.4	2.8	9.4	24.6	19.8	-1.2	1.6
Prices and Wages											
Consumer Price Index	Mar-04 Qtr to Mar-05 Qtr	% change	**2.1**	2.2	2.0	2.6	2.2	3.4	3.5	2.2	2.4
Average Weekly Earnings (full-time adult total earnings)	As at February 05	$	**1048.2**	1077.2	1068.8	974.8	966.0	1058.9	929.0	1167.0	1045.3
Housing Sector											
Building Approvals (number)	Year to April 05	% change	**33.1**	-17.4	-13.4	-15.9	-3.6	0.2	-7.4	12.6	-11.9
Housing Finance for Owner Occupation (number)	Year to May 05	% change	**29.2**	-10.4	-0.8	-6.1	-2.7	3.8	-10.4	-19.0	-4.7
Housing Affordability Indicator[b]	As at March 05 Qtr	Level	**56.0**	27.5	33.4	30.5	35.9	38.6	32.9	50.5	31.8
Consumer Spending											
Retail Trade (current $)	Year to May 05	% change	**7.3**	3.5	4.6	5.4	3.5	7.3	6.1	0.8	4.6
New Motor Vehicle Sales (No.)	Year to May 05	% change	**9.1**	0.4	3.0	10.9	1.9	8.9	11.9	-0.6	4.4
Tourist Accommodation - Takings (current $)	Year to March 05	% change	**13.1**	5.7	7.3	8.0	4.4	7.5	8.1	0.0	6.8

* original data unless otherwise stated (a) in real, inflation adjusted terms (b) the higher the number, the more affordable the housing

Source: Australian Bureau of Statistics data, ANZ Bank job advertisement series, AMP Home Loan Affordability Report

Note: Care should be taken in using monthly estimates for the Territory, in view of the small numbers and the volatile nature of the data.
Although all due care has been exercised in the preparation of this material, no responsibility is accepted for any errors or omissions.
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